

**DARPA SBIR Phase II  
CHECKLIST**

1) Proposal Format

- A. Cover Sheet (identify topic number)/Project Summary  
(register at <http://www.dodsbir.net/submission>) \_\_\_\_\_
- B. Identification and Significance of Problem or Opportunity \_\_\_\_\_
- C. Phase II Technical Objectives \_\_\_\_\_
- D. Scope of Work (Phase II Work Plan) \_\_\_\_\_
- E. Related Work \_\_\_\_\_
- F. Relationship with Future Research or R&D \_\_\_\_\_
- G. Commercialization Strategy \_\_\_\_\_
- H. Key Personnel \_\_\_\_\_
- I. Facilities and Equipment \_\_\_\_\_
- J. Consultants \_\_\_\_\_
- K. Proposal Costs \_\_\_\_\_
- L. Company Commercialization Report  
(register at <http://www.dodsbir.net/submission>) \_\_\_\_\_

2) Bindings

3) Page Limitation

- a. Recommended maximum length is no more than 40 pages, excluding attachments, with a total for both not to exceed 80 pages. \_\_\_\_\_
- b. Company Commercialization Report is **not** counted against these 80 pages. \_\_\_\_\_
- c. Unnecessary attachments, appendices, or references will not be considered in the proposal evaluation. \_\_\_\_\_

4) Submission Requirements for Phase II Proposals \_\_\_\_\_

Electronic submission of Coversheets, Technical and Cost proposals, and Company Commercialization Report.  
A hardcopy is no longer required. Only proposals submitted through the on-line submission site at [www.DoDsbir.net/submission](http://www.DoDsbir.net/submission) will be accepted or considered for award.

Offeror must set forth full, accurate, and complete information as required by these instructions, including the attachments. The penalty for making false statements in offers is set forth in 18 U.S.C. 1001.

## **I. Type of Contract**

The preferred contract mechanism is a Cost Plus Fixed Fee contract. Phase II contractors MUST have an acceptable system to record and control costs, including procedures for job costing and time record keeping. Items such as overhead and G&A rates WILL require logical supporting documentation during the audit process. FAILURE TO PASS A DEFENSE CONTRACTS AUDIT AGENCY (DCAA) AUDIT WILL RESULT IN TERMINATION OF CONTRACT NEGOTIATIONS.

## **II. Proposal Submission**

### **A. General Information**

Only those firms that have been awarded Phase I Small Business Innovation Research (SBIR) contracts will be considered for a Defense Advanced Research Projects Agency (DARPA) SBIR Phase II contract. Additionally, Phase II proposals MUST be invited by the appropriate DARPA Program Manager. The Phase II proposal can be submitted within the 5/6 month of the active Phase I (after invitation) or as soon as appropriate after the completion of the Phase I effort. To reduce the gap between the Phase I and Phase II effort, sooner is better.

Phase II proposals require a comprehensive technical statement of work. Phase II awards will typically cover a period of two (2) to five (5) person-years of effort with a period of time, generally twenty-four (24) months, subject to negotiation. The number of Phase II awards will depend on Phase I results and availability of funds.

DARPA is not obligated to make any awards under Phase II, and the Government is not responsible for any monies expended by the contractor before the award of any contract.

### **B. DoD Submission Site**

DARPA NOW requires electronic submission of Coversheets, Technical and Cost proposals, and Company Commercialization Report. A hardcopy is no longer required. Only proposals submitted through the DoD Electronic Submission Site at [www.dodsbir.net/submission](http://www.dodsbir.net/submission) will be accepted or considered for award.

## **PLEASE DO NOT ENCRYPT OR PASSWORD PROTECT YOUR TECHNICAL PROPOSAL.**

Firms submitting through this site for the first time will be asked to register with their tax ID number and supply a point of contact at the firm.

### **HELPFUL HINTS:**

1. Perform a virus check.
2. Consider the file size of the technical proposal to allow sufficient time for uploading.
3. Signature is no longer required at the time of submission.
4. Submit a new/updated Company Commercialization Report (CCR).
5. Please call the Toll Free SBIR Help Desk if you have additional questions or for submission problems: 866-724-7457
6. DARPA will not accept proposal submissions by electronic facsimile (fax) or email.

## **III. Cost and Pricing Data**

An on-line cost proposal form can be found at the DoD submission site [www.dodsbir.net/submission](http://www.dodsbir.net/submission) for your use. The use of this form is optional.

## **IV. Modifications or Withdrawal of Proposals**

### **A. Modification**

Late modifications of an otherwise scientifically successful proposal, which makes its terms more favorable to the Government, may be considered and may be accepted.

### **B. Withdrawal**

Proposals may be withdrawn by written notice at any time. Proposals may be withdrawn in person by an offeror or his authorized representative, provided his identity is made known and he signs a receipt for the proposal.

## **V. Proposal Requirements and Preparation Instructions**

### **A. Proposal Requirements**

A Phase II proposal must provide sufficient information to convince the Government that the proposed continuation of work represents a likely solution to the scientific or engineering problem and is worthy of support. The overall program research objectives, as well as the Phase II objectives, shall be described in detail. **End user transition and commercialization plans are also required.** Phase I results shall be stated in the context of Phase II objectives. Objectives shall be defined to include milestones, deliverables, applications, restrictions, etc.

**Warning** -- While it is permissible, with proper notification, to submit identical proposals or proposals containing a significant amount of essentially equivalent work for consideration under numerous federal program solicitations, it is unlawful to enter into contracts or grants requiring essentially equivalent efforts. If there is any question concerning this, it must be disclosed to the soliciting agency or agencies before award.

If a Phase II proposal is substantially the same as one already submitted, has been previously funded, or is either funded by, pending with, or about to be submitted to another Federal Agency or DoD Component, or the same DoD Component, the proposer **MUST** so indicate on the cover sheet and provide the information below:

1. The name and address of the agency(ies) or DoD Component(s) to which a proposal(s) was submitted, or will be submitted, or from which an award is expected or has been received.
2. Date of proposal submission or the date of award.
3. Title of proposal.
4. Name and title of principal investigator for each proposal submitted or award received.
5. Title, number, and date of solicitation(s) under which the proposal was submitted or will be submitted or under which award is expected or has been received.
6. If an award was received, state the contract number.
7. Specify the applicable topics for each pending SBIR/STTR proposal submitted or award received.

If this section is not applicable, state in proposal, "No prior, current, or pending support for proposed work."

### **B. Eligibility, Limitations, and Definitions**

Each proposer must qualify as a small business for research or research and development (R&D) purposes as defined in the DoD SBIR solicitation and certify to this on the cover sheet of the proposal. In addition, a minimum of one-half of the effort must be performed by the proposing firm. The percent of work is usually measured by both direct and indirect costs, although proposers planning to subcontract a significant fraction of their work should verify how it will be measured with their DoD contracting officer during contract negotiations. The primary employment of the principal investigator must be with the small business firm at the time of the award and during the conduct of the proposed effort. Primary employment means that more than one-half of the principal investigator's time is spent with the small business. Primary employment with a small business concern precludes full-time employment at another organization. Deviations from these requirements must be approved in writing by the contracting officer.

All research or R&D work must be performed by the small business concern in the United States. "United States" means the fifty states, the Territories and possessions of the U.S., the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the District of Columbia.

Joint ventures and limited partnerships are permitted, provided that the entity created qualifies as a small business in accordance with the Small Business Act, 15 USC 631, and the definition included in the DoD SBIR solicitation.

### **C. General Content and Proposal Format**

Phase II proposers must submit a direct, concise, and informative research or R&D proposal of no more than forty (40) pages, excluding attachments, with a total for both not to exceed 80 pages, (no type smaller than 11 point or 12 pitch on standard 8 1/2" x 11" paper with one (1) inch margins, and a maximum of 6 lines per inch). Promotional and non-project related items are discouraged. Include all items listed below in the order given. The space allocated to each will depend on the problem chosen and the principal investigator's approach. The proposal should emphasize potential commercial applications of the R&D.

All pages shall be numbered. The pages specified for each section of the proposal is offered for guidance only. It is the responsibility of each proposer to determine the number of pages devoted to each section to adequately present the Phase II proposal.

## **VI. Cover Sheet/Project Summary**

### **A. General Information**

The cover sheet should be used as page 1 of the proposal. The technical abstract should include a brief description of the project objective and a description of the effort. Anticipated benefits and commercial applications of the proposed research should also be summarized in the space provided. Due to the possibility of publication, the Project Summary must not contain proprietary or classified information.

### **B. Identification and Significance of the Problem or Opportunity**

Briefly reference the specified technical problem or opportunity addressed in Phase I and its relationship to Phase II.

### **C. Phase II Technical Objectives**

Briefly enumerate the specific objectives of the Phase II work, including any results from Phase I which clearly relate to the objectives.

### **D. Scope of Work (Phase II Work Plan)**

The scope of work shall be the major portion of the proposal and must clearly show advancement in the research appropriate for Phase II. It shall provide an explicit, detailed description of the objectives and tasks of the planned effort. The plan shall indicate not only what is planned, but how and where the work will be carried out. Phase II efforts shall attempt to accomplish the technical feasibility demonstrated in Phase I, including transition of the results to the Government or commercial market.

### **E. Related Work**

Describe significant activities directly related to the proposed effort, including any conducted by the principal investigator, the proposing firm, consultants, or others. Describe how it interfaces with the proposed project and discuss any planned coordination with other sources. The proposal must persuade reviewers of the proposer's awareness of the state-of-the-art in the specific topic.

Describe previous work not directly related, but similar, to the proposed effort. Provide the following

1. A short description,
2. Name of the client for which work was performed (including individual to be contacted and phone number)
3. The date of completion.

### **F. Relationship with Future Research or R&D**

State the anticipated results of the Phase II approach if the project is successful.

### **G. Commercialization Strategy**

All companies submitting Phase II proposals must prepare a two page commercialization strategy explaining how they expect to rapidly move the technology to widespread commercial (Government or private sector) use. The following points should be addressed:

1. List the first product incorporating your technology.
2. List your customers and estimate the size of your market.
3. List the amount of money needed to bring your technology to market, and how you intend to raise it.
4. Does your company contain marketing expertise and, if not, how do you intend to bring expertise into the company?
5. Who are your competitors, and what is your price and/or quality advantage over your competitors?

All Phase II SBIR contracts entered into by DoD FY96 and thereafter, will require that the contractor report to DoD on its Phase III commercialization for five years after the completion of the Phase II effort (if such information is requested).

### **H. Personnel**

Identify key personnel who will be involved in the Phase II effort, including education and experience. A resume of the principal investigator, including a list of publications, if any, must be included.

## **I. Facilities and Equipment**

Describe available instrumentation and physical facilities necessary to carry out the Phase II effort. Items of equipment to be purchased, as detailed in the cost proposal, shall be justified under this section. Also state whether or not the facilities where the proposed work will be performed meet environmental laws and regulations of federal, state (name) and local Governments for, but not limited to, the following groupings: airborne emissions, waterborne effluents, external radiation levels, outdoor noise, solid and bulk waste disposal practices, and handling and storage of toxic and hazardous materials.

## **J. Consultants**

Involvement of university or other consultants in the planning and/or research stages of the project may be appropriate. If such involvement is intended, it should be described in detail and included in the cost proposal.

## **K. Proposal Costs**

Estimated costs of the proposals shall be valid for a period of six (6) months from the submission date of the proposal. DARPA Phase II proposals must be structured as follows: the first 10-12 months (base effort) should be approximately \$375,000; the second 10-12 months (incremental effort) should also be approximately \$375,000. The entire Phase II effort should not exceed \$750,000. Very few exceptions will be made.

## **L. Company Commercialization Report on Prior SBIR Awards**

Each small business firm submitting a Phase I or Phase II proposal is required to register at the following DoD password-protected web site:

**<http://www.DoDsbir.net/submission>** – and, through this site, to report the quantitative commercialization results of the firm's prior Phase II projects. (Even firms that have not previously participated in SBIR must register.

The firm may also, at its option, attach to the back of the Report additional, explanatory material (no more than five pages) relating to the firm's record of commercializing its prior SBIR or STTR projects, such as: commercialization successes (in government and/or private sector markets) that are not fully captured in the quantitative results; any mitigating factors that could account for low commercialization; and recent changes in the firm's organization or personnel designed to increase the firm's commercialization success. The Summary Page, Report, and additional explanatory material (if any) will not be counted toward the 80-page limit for Phase II proposals.

A Report showing that a firm has received no prior Phase II awards will not affect the firm's ability to obtain an SBIR award. Firms may direct additional submission questions to the DoD SBIR Help Desk (866-216-4095) for assistance.

## **M. Commercialization Updates in Phase II**

If, after completion of Phase I, the contractor is awarded a Phase II contract, the contractor shall be required to periodically update the following commercialization results of the Phase II project through the DoD Electronic Submission Site at [www.dodsbir.net/submission](http://www.dodsbir.net/submission).

1. Sales revenue from new products and non-R&D services resulting from the Phase II technology.
2. Additional investment from sources other than the federal SBIR/STTR program in activities that further the development and/or commercialization of the Phase II technology.
3. The portion of additional investment representing clear and verifiable investment in the future commercialization of the technology (i.e., "hard investment").
4. Whether the Phase II technology has been used in a fielded DoD system or acquisition program and, if so, which system or program.
5. The number of patents resulting from the contractor's participation in the SBIR/STTR program.
6. Growth in number of firm employees.
7. Whether the firm has completed an initial public offering of stock (IPO) resulting, in part, from the Phase II project.

These updates on the project will be required one year after the start of Phase II, at the completion of Phase II, and subsequently when the contractor submits a new SBIR or STTR proposal to DoD. Firms that do not submit a new proposal to DoD will be asked to provide updates on an annual basis after the completion of Phase II.

## **VI. Special Provisions**

### **Security Requirements**

If a proposed effort is classified or classified information is involved, the offeror must have, or obtain, a security clearance in accordance with the Industry Security Manual for Safeguarding Classified Information (DOD 5220.22M).

## **VII. Contract Data Requirements List (DD Form 1423)**

The DD Form 1423 is applicable to the proposed procurement (attached for information purposes).

## **VIII. Method of Selection and Evaluation Criteria**

The Phase II proposal will be reviewed for overall merit based upon the criteria below. Each item will receive approximately equal weight, except for item (a), which will receive twice the value of any other item.

1. The soundness, technical merit, and innovation of the proposed approach and its incremental progress toward topic or subtopic solution.
2. The qualifications of the proposed principal/key investigators, supporting staff, and consultants. Qualifications include not only the ability to perform the research and development but also the ability to commercialize the results.
3. The potential for commercial (Government or private sector) application and the benefits expected to accrue from this commercialization.

A proposal's commercial potential can be evidenced by:

1. The small business concern's record of commercializing SBIR or other research;
2. The existence of second phase funding commitments from private sector or non-SBIR funding sources - especially matching commitments provided under the Fast Track;
3. The existence of third phase follow-on funding commitments for the subject of the research; and/or,
4. The presence of other indicators of commercial potential of the idea.

Final decisions will be made by DARPA based upon the scientific and technical evaluations and other factors, including a commitment for Phase III follow-on funding, the possible duplication with other research or R&D, program balance, budget limitations, and the potential of a successful Phase II effort leading to a product of continuing interest to DARPA.

The reasonableness of the proposed costs of the effort to be performed will be examined to determine those proposals that offer the best value to the Government. Technical reviewers will base their conclusions only on information contained in the proposal. It cannot be assumed that reviewers are acquainted with the firm or key individuals or any referenced experiments.

Phase II proposal evaluation may include on-site visits by government personnel to evaluate results of the Phase I effort.

## **IX. SBIR Fast Track**

### **A. General.**

The DoD SBIR program has implemented a Fast Track process for SBIR projects that attract matching cash from an outside investor for the Phase II SBIR effort (as well as for the interim effort between Phases I and II). The purpose is to focus SBIR funding on those projects that are most likely to be developed into viable new products that DoD and others will buy and that will thereby make a major contribution to U.S. military and/or economic capabilities. For additional information contact the DARPA SBIR Program Manager, [cjacobs@darpa.mil](mailto:cjacobs@darpa.mil).

## **X. Contractual Considerations**

### **A. Reports**

Typical reports considered for this effort are as specified on the Document Summary List and Report Distribution List. (These reports are generated during contract negotiations.)

### **B. Payment Schedule**

Payment will be made in accordance with General Provisions FAR 523.216-7, *Allowable Cost and Payments*.

### **C. Copyrights**

To the extent permitted by statute, the awardee may copyright (consistent with appropriate national security

considerations, if any) material developed with DoD support. DoD receives a royalty-free license for the Federal Government and requires that each publication contain an appropriate acknowledgement and disclaimer statement.

#### **D. Patents**

Small business firms normally may retain the principal worldwide patent rights to any invention developed with government support. The Government receives a royalty-free license for its use, reserves the right to require the patent holder to license others in certain limited circumstances, and requires that anyone exclusively licensed to sell the invention in the U.S. must normally manufacture it domestically. To the extent authorized by 35 USC 205, the Government will not make public any information disclosing a government-supported invention for a period of five years to allow the awardee to pursue a patent.

#### **E. Technical Data**

Rights in technical data, including software, developed under the terms of any contract resulting from proposals submitted in response to a DoD SBIR Solicitation generally remain with the contractor, except that the Government obtains a royalty-free license to use such technical data only for government purposes during the period commencing with contract award and ending five years after completion of the project under which the data were generated. Upon expiration of the five-year restrictive license, the Government has unlimited rights in the SBIR data. During the license period, the Government may not release or disclose SBIR data to any person other than its support services contractors, except:

1. For evolutionary purposes
2. As expressly permitted by the contractor
3. A use, release, or disclosure that is necessary for emergency repair or overhaul of items operated by the Government. See FAR clause 52.227-20, "Rights in Data - SBIR Program" and DFARS 252.227-7018, "Rights in Noncommercial Technical Data and Computer Software - SBIR Program."

#### **XI. Marking of Proprietary or Classified Proposal Information**

The provisions cited in the DoD SBIR Program Solicitation on the marking of proprietary or classified proposal information are included by reference in section 5.6 of the DoD solicitation manual.